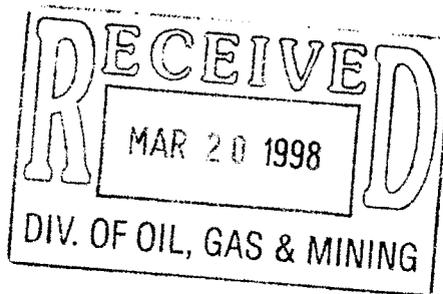


**Canyon Fuel Company, LLC**  
 P.O. Box 1029  
 Wellington, Utah 84542  
 801/637-6360 Fax: 801/637-0108



Ken M. Payne  
 Project Manager



March 19, 1998

ACT/007/039 # 2  
~~original to~~  
~~Bond file~~

Daron Haddock  
 Permit Supervisor  
 Division of Oil, Gas and Mining  
 1594 West North Temple, Suite 1210  
 P.O. Box 145801  
 Salt Lake City, UT 84114-5801

Re: Dugout Canyon Mine Reclamation Agreement

Dear Mr. Haddock:

Enclosed is the Dugout Canyon Mine Reclamation Agreement that has been executed by Mr. Richard D. Pick, President and CEO of Canyon Fuel Company, LLC.

The Reclamation Agreement contains a copy of the original Surety Bond. The original copy of the Surety Bond was delivered to the Division on March 13, 1998. The Reclamation Agreement also contains a faxed copy of the Certificate of Insurance. We will forward the original Certificate of Insurance to the Division next week upon its arrival at the Salt Lake City office.

The working copies of the text in the permit application that contain the strike-outs and redlines will be replaced next week by personnel from EarthFax Engineering with the assistance from your staff.

Please forward the permit approval and the stipulations to Canyon Fuel Company as soon as possible so that the stipulations can be addressed in a timely manner. Also, please forward a copy of the Reclamation Agreement after Division approval to Canyon Fuel Company.

If there are any questions, please call.

Sincerely,

Ken Payne  
 Project Manager

x/c R.D. Pick  
 R. Olsen